

California Uniform Construction Cost Accounting Commission

Minutes of

Thursday, January 10, 2019

The following draft minutes are not official, and are subject to change until approved by the Commission at a subsequent public meeting.

1. Call to order

Chair Will Clemens called the meeting to order at 10:01 a.m.

Present: Will Clemens, Robert Campbell, Linda Clifford, Steven Hartwig, Michael Hester, Ken A. Kayser, Eddie Bernacchi, Leeann Errotabere, Jeff Armstrong, John Nunan, Jeremy Smith, Nathaniel Holt, and Julie Lucido.

Via teleconference: Paavo Ogren

Absent: None

Unexcused Absences: None

Guests: Michelle Tucker and Matthew Hilliard from the Construction Industry Force Account Council (CIFAC); Cathryn Hilliard from Southern Marin Fire District

State Controller's Office: Harpreet Nakhwal, Sandeep Singh, Debbie Torres, and Alexandria Green

2. Introduction

Debbie Torres from the State Controller's Office (SCO) conducted roll call. Ms. Torres stated that in the event that one or more Commissioners participate in the meeting via teleconference, pursuant to the Bagley-Keene Open Meeting Act (Government Code [GC] section 11123), votes will be recognized using the roll call method.

A. Oath of Office

Commissioner Holt administered the Oath of Office to Leeann Errotabere, who was appointed on November 1, 2018, to represent School Districts.

3. Approval of the Minutes (Refer to attachment Item 3A)

A. Meeting held on September 10, 2018

Chair Clifford motioned to approve the minutes without changes from the September 10, 2018, meeting and Commissioner Hester seconded the motion. The motion was approved 13-0. Commissioner Errotabere abstained from voting, as she did not attend the September 10, 2018, meeting.

4. Commission Updates (Refer to attachments for Item 4)

A. Participating Agencies

Ms. Torres presented an update on participating agencies, noting that the SCO had received 32 resolutions from agencies that opted into the California Uniform Public Construction Cost Accounting Act (Act). Participating agencies, including newly opted-in agencies, currently total 1,200.

B. Funding Update

SCO staff reported that there were no updates, and that \$11,332.00 of unrestricted funds are available to the Commission for its use and reimbursement.

C. Inquiry Update

SCO staff presented a report on inquiries received since the last meeting. Chair Clemens referred to an inquiry that may need legislative changes in the future. The question from the inquiry is as follows:

“Is it the intent of the Commission that all of our other municipal utilities can interpret what is considered as a public project in the same manner as stated in Public Contract Code (PCC) 22002.c)3) (not a public project, as no powerplant, dam or reservoir is involved)?”

Chair Clemens read the code for PCC section 22002.c) 3).

“In the case of a publicly owned utility system, ‘public project’ shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.”

Chair Clemens mentioned the inquiry is from a City and the water and sewer fund staff are trying to make the argument that they are a “publicly owned utility system.”

Therefore, the water and sewer fund does not have to be considered a project unless it is a dam, reservoir, powerplant, or electrical transmission line. Chair Clemens mentioned that the term “publicly owned utility system” is not clearly defined in the Act.

Chair Clemens stated that the answer that was provided to the inquiry was sufficient.

5. Public Comment

No Public Comment.

6. Staff Comments/Requests

A. Ethics Training

Ms. Torres provided the Commissioners with their Ethics Training log, including expiration dates. Several commissioners requested that the SCO provide the link to complete their Ethics Training. Ms. Torres mentioned that she would send the link to the Commissioners as their due dates approach.

B. SCO Staff Update

Sandeep Singh mentioned that there were personnel changes at the Local Policy Section. Mr. Singh mentioned that if anyone from the Commission would need management assistance, he would be the new point of contact.

Mr. Singh distributed revised and updated identification (ID) cards to the Commissioners. The conditions and the changes to the ID cards were communicated to the Commissioners by Mr. Singh and Harpreet Nakhwal, SCO Legal, as follows:

- CUCCAC business only;
- not be used for personal purposes;
- new issued date;
- expiration term date;
- cards are wallet size smaller; and
- Previously distributed ID cards should be returned to SCO staff, as they are now considered void.

C. Form 700

Ms. Torres shared that she has received notice by email of completed Form 700s that were electronically submitted to the Fair Political Practices Commission. She mentioned, as a reminder, that April 2, 2019, is the last day to file electronically the forms without a late penalty. Commissioner Clifford asked whether the SCO staff could provide the Commission with updates on who still needs to complete their forms. Ms. Torres stated that she would send updates to the Commissioners who need to file on a monthly basis until the final filing date.

D. Travel Claim

Ms. Torres reminded the Commission that if members have any outstanding travel claims, they should submit them in a timely manner.

E. Annual Report to the California State Legislature for 2018

Ms. Torres will prepare the template and any statistical information necessary for Chair Clemens to prepare the report. Once the report is prepared and completed, SCO staff will send the report to the California State Legislature's office and post on the CUCCAC webpage for public notice.

7. Report of the Officers

A. Chair

Nothing to report.

B. Vice Chair

Nothing to report.

C. Secretary

Nothing to report.

8. Committee Reports

A. CUCCAC Manual

i. Proposed Changes-Legislative Update

Chair Clemens mentioned that a subcommittee was formed at the last CUCCAC meeting. The subcommittee was to revise the manual to update the changes brought forth in AB 2249, which became effective on January 1, 2019. Commissioners Clifford and Carreon, the CUCCAC Manual subcommittee, made legislative changes to the manual. Chair Clemens mentioned a couple of errors that the SCO staff should update in the *Cost Accounting Policies and Procedures Manual Summary of Revisions* in regards to PCC section 22032 and PCC section 22034. Changes are as follows:

- PCC section 22032 \$200,000 instead of \$200
- PCC section 22034 \$200,000 instead of \$200

SCO staff will make the changes to the sections to add \$200,000 instead of \$200.

Chair Clemens moved to adopt the changes as amended and Commissioner Campbell seconded the motion. The motion was approved 14-0.

ii. Proposed Changes – Non-Legislative Update

No Changes.

9. Commissioner Comments/Request

Commissioner Bernacchi mentioned that he would like to add an item to the next meeting agenda. He would like to start a working group to look into modernizing the advertising requirements in regards to the Act. Chair Clemens directed the SCO staff to add an item on the next CUCCAC meeting agenda under New Business with the title *Modernization of Advertising Requirements in the Act*.

Chair Clemens formed a subcommittee that will include himself and Commissioner Clifford to review the Frequently Asked Questions (FAQ's) to determine whether any wording should be deleted or added.

10. Old Business

Nothing to report.

11. New Business

A. Revision of By-Laws

Commissioners Ogren and Hartwig were tasked with revising the by-laws to articulate when a vacancy occurs once a Commissioner retires. Communication amongst the Commissioners and the SCO staff concluded with the following revisions to the by-laws:

Original content from sub-committee:

Therefore, if a Commissioner is reappointed, the date the term expired is based on a three-year increment from the same as the original appointment date.

Proposed revised language:

Therefore, if a Commissioner is reappointed, the date of term expiration is three years from the date of reappointment.

Commissioner Clifford proposed a motion to change the language to the by-laws and Commissioner Hartwig second the motion. The motion was approved 14-0.

Harpreet Nakhwal mentioned that legal counsel would review the by-laws to ensure that they are compliant with statute. Ms. Nakhwal diverted the Commission's attention to *Article X Amendments of the by-laws*:

“These By-laws may be altered, amended, repealed or added to by an affirmative vote by a majority of the Commissioners and approval by the SCO.”

Commissioner Campbell suggested that the language in the Orientation Guide, “Travel will be reimbursed if there is sufficient funding” should be removed.

Commissioner Clifford proposed a motion to adopt changes to the Orientation Guide and Commission Holt seconded the motion. The motion was approved 14-0.

12. Next Meeting

The Commission agreed to schedule the next meeting for:

Thursday, May 23, 2019
10:00 a.m. – 2:00 p.m.
State Controller's Office
300 Capitol Mall, 6th Floor, 635 Terrace Room
Sacramento, California 95816

13. Adjournment

Chair Clemens moved to adjourn the meeting at 11:55 a.m.; Commissioner Clifford seconded the motion. The motion was approved 14-0.

If you would like more information regarding this meeting, please contact:

State Controller's Office
Local Government Programs and Services Divisions
Local Government Policy Section
LocalGovPolicy@sco.ca.gov